

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

VINCENNES COMMUNITY SCHOOL CORPORATION  
KNOX COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
03/27/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debbie Groves	07-01-16 to 06-30-19
Superintendent of Schools	Gregory Parsley	07-01-16 to 06-30-19
President of the School Board	Karla Smith Barbara L. Toole Lynne Bobe Aaron M. Bauer	01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY SCHOOL  
CORPORATION, KNOX COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Vincennes Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2019, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

February 28, 2019



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY SCHOOL  
CORPORATION, KNOX COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Vincennes Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 28, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 28, 2019

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

VINCENNES COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 4,579,633	\$ 18,599,983	\$ 17,055,956	\$ (2,000,000)	\$ 4,123,660	\$ 19,231,463	\$ 17,231,344	\$ -	\$ 6,123,779
Debt Service	410,611	5,532,490	4,893,201	(930,701)	119,199	5,171,704	4,334,488	(956,415)	-
Retirement/Severance Bond Debt Service	84,087	232,895	230,172	21,914	108,724	234,974	228,772	(16,921)	98,005
Capital Projects	1,267,387	1,092,817	1,511,031	601,573	1,450,746	1,245,147	1,926,807	547,238	1,316,324
School Transportation	590,879	660,544	1,054,239	356,373	553,557	778,839	1,034,448	339,745	637,693
School Bus Replacement	83,343	230,201	629,352	114,901	(200,907)	213,838	-	95,101	108,032
Rainy Day	7,013,140	24,334	(10,329)	1,735,737	8,783,540	26,304	227,971	(17,614)	8,564,259
Construction Fund	1,541,346	2,450	1,162,172	-	381,624	1,715	352,399	-	30,940
2016 Series A Bond	1,964,705	2,386	1,885,341	-	81,750	173	81,923	-	-
2016 Series B Bond	1,964,580	2,413	1,922,438	-	44,555	51	44,606	-	-
2016 Series C Bond	1,964,899	2,446	1,928,636	-	38,709	31	38,740	-	-
2016 Series D Bond	1,994,185	2,684	1,948,031	-	48,838	122	48,960	-	-
2017 Series Bond	-	43	571,273	9,951,761	9,380,531	33,490	8,526,243	-	887,778
2018 Series Bond	-	-	-	-	-	93	638,703	9,969,105	9,330,495
School Lunch	382,275	1,757,066	1,626,754	-	512,587	1,677,234	1,653,898	-	535,923
Textbook Rental	176,857	339,731	487,383	94,996	124,201	320,954	407,197	8,866	46,824
Self-Insurance	35,611	6,000	9,000	-	32,611	-	-	-	32,611
Joint Services and Supply - Special Education Cooperative	202,286	1,036,715	944,188	-	294,813	1,003,633	921,300	-	377,146
Alternative Education	9,912	10,501	20,413	-	-	9,791	9,791	-	-
Early Intervention Grant	-	14,520	10,811	-	3,709	14,927	18,129	-	507
Lilly Grant	-	30,000	28,244	-	1,756	260,600	20,998	-	241,358
Project Lead the Way	-	-	-	-	-	30,000	-	-	30,000
VEF Donation	-	591	591	-	-	-	-	-	-
Literacy Donation	1,266	-	-	-	1,266	-	811	-	455
Secret Alice Fund	9,205	3,325	2,000	-	10,530	6,696	4,118	-	13,108
Elementary School Drama Donation Fund	2,594 50	4,620 -	482 44	- -	6,732 6	4,688 -	2,544 6	- -	8,876 -
Wellness Weight Loss	-	540	540	-	-	770	770	-	-
E Wonderland Donation	6,847	450	6,194	-	1,103	-	-	-	1,103
SPARK Fund	1,299	60	288	-	1,071	2,030	2,658	-	443
Project Safe Donation	718	-	-	-	718	-	718	-	-
Wonder Project	-	-	-	-	-	7,720	7,720	-	-
Duke Energy Bullying	-	5,500	-	-	5,500	-	-	-	5,500
Duke Energy Grant	29	24,430	-	-	24,459	-	-	-	24,459

VINCENNES COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and	Receipts	Disbursements	Other	Cash and	Receipts	Disbursements	Other	Cash and
	Investments			Financing	Investments			Financing	Investments
	07-01-16			Sources (Uses)	06-30-17			Sources (Uses)	06-30-18
VU Foundation Art	970	-	941	-	29	-	29	-	-
Ader Memorial	-	1,380	-	-	1,380	-	-	-	1,380
Inman Field	-	1,000	-	-	1,000	-	-	-	1,000
Rotary Library Fund	-	4,843	4,831	-	12	-	12	-	-
Jump Start Program	6,718	12,337	12,767	-	6,288	13,149	13,825	-	5,612
Sodexo Wellness Grant	5,107	500	(131)	-	5,738	6,000	726	-	11,012
Lyons Donation	382	-	-	-	382	-	382	-	-
RC/Pepsi Donation	19,485	2,695	18,094	-	4,086	18,440	22,526	-	-
Formative Assessment	9,516	34,806	44,322	-	-	33,362	-	-	33,362
Gifted/Talented	299	37,082	27,538	-	9,843	37,164	40,425	-	6,582
IN State Digital Learning	-	68,899	68,899	-	-	-	-	-	-
Secured Schools Safety Grant	-	50,000	50,000	-	-	-	-	-	-
School Technology	122,646	58,011	45,741	-	134,916	64,807	31,869	-	167,854
Career and Technical Performance Grant	-	4,116	-	-	4,116	1,532	-	-	5,648
Child Care	3,294	99,749	103,154	5,207	5,096	122,246	87,088	-	40,254
Library Endowment	332	-	-	-	332	-	326	-	6
ISTA Settlement	22,477	-	22,477	-	-	-	-	-	-
Title I	(78,670)	693,219	659,025	-	(44,476)	880,043	900,295	-	(64,728)
Title I Delinquent	-	65,081	70,433	-	(5,352)	34,764	29,412	-	-
IDEA	(71,842)	1,330,034	1,317,897	-	(59,705)	1,362,215	1,367,616	-	(65,106)
Preschool	(6,821)	72,074	70,555	-	(5,302)	70,043	75,108	-	(10,367)
School Wellness Grant	(630)	1,535	1,754	-	(849)	2,700	3,351	-	(1,500)
Improving Teacher Quality, No Child Left, Title II, Part A 6840	(12,878)	73,649	60,771	-	-	111,374	125,003	-	(13,629)
Elearning Grant	(12,531)	13,000	469	-	-	-	-	-	-
Improving Teacher Quality, No Child Left, Title II, Part A 6850	-	124,742	138,839	-	(14,097)	57,973	43,876	-	-
Rural/Low	(2,096)	41,855	47,330	-	(7,571)	62,281	59,283	-	(4,573)
Prepaid Food	14,017	(5,438)	-	-	8,579	7,682	138	-	16,123
Payroll Clearing	43,722	4,046,476	4,037,189	-	53,009	4,111,119	4,150,642	-	13,486
Totals	\$ 24,351,241	\$ 36,451,380	\$ 44,721,340	\$ 9,951,761	\$ 26,033,042	\$ 37,273,881	\$ 44,717,994	\$ 9,969,105	\$ 28,558,034

The notes to the financial statement are an integral part of this statement.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Local sources.* Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

*Intermediate sources.* Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*State sources.* Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources.* Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

**E. Disbursements**

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Instruction.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

*Support services.* Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

*Noninstructional services.* Amounts disbursed for food service operations and community service operations.

*Facilities acquisition and construction.* Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

*Debt service.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

*Nonprogrammed charges.* Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

**F. Other Financing Sources and Uses**

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

*Proceeds of long-term debt.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

*Transfers in.* Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Transfers out.* Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

**G. Fund Accounting**

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements which appear as negative entries. Correction of entries between funds and between school years caused the negative entries.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 and 2018. The School Bus Replacement fund had expenditures made to vendors prior to the complete tax draws received for the year.

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with the Vincennes Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled \$3,609,500 and \$3,570,500, respectively.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 10. Other Postemployment Benefits**

The School Corporation provides Social Security Bridge benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction Fund	2016 Series A Bond
Cash and investments - beginning	\$ 4,579,633	\$ 410,611	\$ 84,087	\$ 1,267,387	\$ 590,879	\$ 83,343	\$ 7,013,140	\$ 1,541,346	\$ 1,964,705
Receipts:									
Local sources	248,051	5,532,490	232,895	1,092,817	660,544	230,201	24,334	2,450	2,386
State sources	18,351,932	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	18,599,983	5,532,490	232,895	1,092,817	660,544	230,201	24,334	2,450	2,386
Disbursements:									
Instruction	11,748,670	-	-	-	-	-	-	-	-
Support services	5,014,119	55,900	-	937,248	1,054,239	629,352	102,878	-	-
Noninstructional services	293,167	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	573,783	-	-	(113,207)	1,162,172	1,885,341
Debt service	-	4,837,301	230,172	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	17,055,956	4,893,201	230,172	1,511,031	1,054,239	629,352	(10,329)	1,162,172	1,885,341
Excess (deficiency) of receipts over disbursements	1,544,027	639,289	2,723	(418,214)	(393,695)	(399,151)	34,663	(1,159,722)	(1,882,955)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	50,034	601,573	356,373	114,901	1,735,737	-	-
Transfers out	(2,000,000)	(930,701)	(28,120)	-	-	-	-	-	-
Total other financing sources (uses)	(2,000,000)	(930,701)	21,914	601,573	356,373	114,901	1,735,737	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(455,973)	(291,412)	24,637	183,359	(37,322)	(284,250)	1,770,400	(1,159,722)	(1,882,955)
Cash and investments - ending	\$ 4,123,660	\$ 119,199	\$ 108,724	\$ 1,450,746	\$ 553,557	\$ (200,907)	\$ 8,783,540	\$ 381,624	\$ 81,750

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	2016 Series B Bond	2016 Series C Bond	2016 Series D Bond	2017 Series Bond	2018 Series Bond	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Special Education Cooperative
Cash and investments - beginning	\$ 1,964,580	\$ 1,964,899	\$ 1,994,185	\$ -	\$ -	\$ 382,275	\$ 176,857	\$ 35,611	\$ 202,286
Receipts:									
Local sources	2,413	2,446	2,684	43	-	526,159	339,581	6,000	987,722
State sources	-	-	-	-	-	10,215	-	-	48,993
Federal sources	-	-	-	-	-	1,218,964	-	-	-
Other receipts	-	-	-	-	-	1,728	150	-	-
Total receipts	2,413	2,446	2,684	43	-	1,757,066	339,731	6,000	1,036,715
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	548,467
Support services	-	-	-	-	-	4,683	487,095	-	395,721
Noninstructional services	-	-	-	-	-	1,622,071	-	-	-
Facilities acquisition and construction	1,922,438	1,928,636	1,948,031	571,273	-	-	288	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	9,000	-
Total disbursements	1,922,438	1,928,636	1,948,031	571,273	-	1,626,754	487,383	9,000	944,188
Excess (deficiency) of receipts over disbursements	(1,920,025)	(1,926,190)	(1,945,347)	(571,230)	-	130,312	(147,652)	(3,000)	92,527
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	9,951,761	-	-	-	-	-
Transfers in	-	-	-	-	-	-	94,996	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	9,951,761	-	-	94,996	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,920,025)	(1,926,190)	(1,945,347)	9,380,531	-	130,312	(52,656)	(3,000)	92,527
Cash and investments - ending	\$ 44,555	\$ 38,709	\$ 48,838	\$ 9,380,531	\$ -	\$ 512,587	\$ 124,201	\$ 32,611	\$ 294,813

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Alternative Education	Early Intervention Grant	Lilly Grant	Project Lead the Way	VEF Donation	Literacy Donation	Secret Alice Fund	Elementary School Drama	Donation Fund
Cash and investments - beginning	\$ 9,912	\$ -	\$ -	\$ -	\$ -	\$ 1,266	\$ 9,205	\$ 2,594	\$ 50
Receipts:									
Local sources	-	-	30,000	-	591	-	3,325	4,620	-
State sources	10,501	14,520	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	10,501	14,520	30,000	-	591	-	3,325	4,620	-
Disbursements:									
Instruction	20,413	10,811	-	-	591	-	2,000	482	44
Support services	-	-	28,244	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	20,413	10,811	28,244	-	591	-	2,000	482	44
Excess (deficiency) of receipts over disbursements	(9,912)	3,709	1,756	-	-	-	1,325	4,138	(44)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,912)	3,709	1,756	-	-	-	1,325	4,138	(44)
Cash and investments - ending	\$ -	\$ 3,709	\$ 1,756	\$ -	\$ -	\$ 1,266	\$ 10,530	\$ 6,732	\$ 6

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Wellness Weight Loss	E Wonderland Donation	SPARK Fund	Project Safe Donation	Wonder Project	Duke Energy Bullying	Duke Energy Grant	VU Foundation Art	Ader Memorial
Cash and investments - beginning	\$ -	\$ 6,847	\$ 1,299	\$ 718	\$ -	\$ -	\$ 29	\$ 970	\$ -
Receipts:									
Local sources	540	450	60	-	-	5,500	24,430	-	1,380
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	540	450	60	-	-	5,500	24,430	-	1,380
Disbursements:									
Instruction	-	-	288	-	-	-	-	941	-
Support services	540	6,194	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	540	6,194	288	-	-	-	-	941	-
Excess (deficiency) of receipts over disbursements	-	(5,744)	(228)	-	-	5,500	24,430	(941)	1,380
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,744)	(228)	-	-	5,500	24,430	(941)	1,380
Cash and investments - ending	\$ -	\$ 1,103	\$ 1,071	\$ 718	\$ -	\$ 5,500	\$ 24,459	\$ 29	\$ 1,380

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Inman Field	Rotary Library Fund	Jump Start Program	Sodexo Wellness Grant	Lyons Donation	RC/Pepsi Donation	Formative Assessment	Gifted/Talented	IN State Digital Learning
Cash and investments - beginning	\$ -	\$ -	\$ 6,718	\$ 5,107	\$ 382	\$ 19,485	\$ 9,516	\$ 299	\$ -
Receipts:									
Local sources	1,000	4,843	12,337	500	-	2,695	-	-	-
State sources	-	-	-	-	-	-	34,806	37,082	68,899
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,000	4,843	12,337	500	-	2,695	34,806	37,082	68,899
Disbursements:									
Instruction	-	-	12,767	-	-	4,793	-	27,538	54,164
Support services	-	4,831	-	(131)	-	13,301	44,322	-	14,735
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,831	12,767	(131)	-	18,094	44,322	27,538	68,899
Excess (deficiency) of receipts over disbursements	1,000	12	(430)	631	-	(15,399)	(9,516)	9,544	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,000	12	(430)	631	-	(15,399)	(9,516)	9,544	-
Cash and investments - ending	\$ 1,000	\$ 12	\$ 6,288	\$ 5,738	\$ 382	\$ 4,086	\$ -	\$ 9,843	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Secured Schools Safety Grant	School Technology	Career and Technical Performance Grant	Child Care	Library Endowment	ISTA Settlement	Title I	Title I Delinquent	IDEA
Cash and investments - beginning	\$ -	\$ 122,646	\$ -	\$ 3,294	\$ 332	\$ 22,477	\$ (78,670)	\$ -	\$ (71,842)
Receipts:									
Local sources	-	-	-	99,749	-	-	-	-	15,575
State sources	50,000	6,308	4,116	-	-	-	-	-	-
Federal sources	-	51,703	-	-	-	-	693,219	65,081	1,314,459
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	50,000	58,011	4,116	99,749	-	-	693,219	65,081	1,330,034
Disbursements:									
Instruction	-	-	-	-	-	15,752	509,957	70,433	658,591
Support services	50,000	45,741	-	425	-	6,725	144,675	-	659,306
Noninstructional services	-	-	-	102,729	-	-	4,393	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	50,000	45,741	-	103,154	-	22,477	659,025	70,433	1,317,897
Excess (deficiency) of receipts over disbursements	-	12,270	4,116	(3,405)	-	(22,477)	34,194	(5,352)	12,137
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	5,207	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	5,207	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,270	4,116	1,802	-	(22,477)	34,194	(5,352)	12,137
Cash and investments - ending	\$ -	\$ 134,916	\$ 4,116	\$ 5,096	\$ 332	\$ -	\$ (44,476)	\$ (5,352)	\$ (59,705)

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Preschool	School Wellness Grant	Improving Teacher Quality, No Child Left, Title II, Part A 6840	Elearning Grant	Improving Teacher Quality, No Child Left, Title II, Part A 6850	Rural/Low	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (6,821)	\$ (630)	\$ (12,878)	\$ (12,531)	\$ -	\$ (2,096)	\$ 14,017	\$ 43,722	\$ 24,351,241
Receipts:									
Local sources	-	-	-	-	-	-	-	-	10,100,811
State sources	-	-	73,649	-	124,742	-	-	-	18,835,763
Federal sources	72,074	1,535	-	13,000	-	41,855	-	-	3,471,890
Other receipts	-	-	-	-	-	-	(5,438)	4,046,476	4,042,916
Total receipts	72,074	1,535	73,649	13,000	124,742	41,855	(5,438)	4,046,476	36,451,380
Disbursements:									
Instruction	64,491	-	31,006	-	88,903	-	-	4,037,189	17,908,291
Support services	6,064	1,754	29,765	469	49,936	47,330	-	-	9,835,461
Noninstructional services	-	-	-	-	-	-	-	-	2,022,360
Facilities acquisition and construction	-	-	-	-	-	-	-	-	9,878,755
Debt service	-	-	-	-	-	-	-	-	5,067,473
Nonprogrammed charges	-	-	-	-	-	-	-	-	9,000
Total disbursements	70,555	1,754	60,771	469	138,839	47,330	-	4,037,189	44,721,340
Excess (deficiency) of receipts over disbursements	1,519	(219)	12,878	12,531	(14,097)	(5,475)	(5,438)	9,287	(8,269,960)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	9,951,761
Transfers in	-	-	-	-	-	-	-	-	2,958,821
Transfers out	-	-	-	-	-	-	-	-	(2,958,821)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	9,951,761
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,519	(219)	12,878	12,531	(14,097)	(5,475)	(5,438)	9,287	1,681,801
Cash and investments - ending	\$ (5,302)	\$ (849)	\$ -	\$ -	\$ (14,097)	\$ (7,571)	\$ 8,579	\$ 53,009	\$ 26,033,042

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2018

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction Fund	2016 Series A Bond
Cash and investments - beginning	\$ 4,123,660	\$ 119,199	\$ 108,724	\$ 1,450,746	\$ 553,557	\$ (200,907)	\$ 8,783,540	\$ 381,624	\$ 81,750
Receipts:									
Local sources	274,485	5,171,704	234,974	1,245,147	778,839	213,838	26,304	1,715	173
Intermediate sources	276	-	-	-	-	-	-	-	-
State sources	18,956,702	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	19,231,463	5,171,704	234,974	1,245,147	778,839	213,838	26,304	1,715	173
Disbursements:									
Instruction	11,748,118	-	-	-	-	-	-	-	-
Support services	5,149,650	49,526	-	984,813	1,034,448	-	212,374	-	-
Noninstructional services	333,576	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	941,994	-	-	15,597	352,399	81,923
Debt service	-	4,284,962	228,772	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	17,231,344	4,334,488	228,772	1,926,807	1,034,448	-	227,971	352,399	81,923
Excess (deficiency) of receipts over disbursements	2,000,119	837,216	6,202	(681,660)	(255,609)	213,838	(201,667)	(350,684)	(81,750)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	6,306	547,238	339,745	95,101	-	-	-
Transfers out	-	(956,415)	(23,227)	-	-	-	(17,614)	-	-
Total other financing sources (uses)	-	(956,415)	(16,921)	547,238	339,745	95,101	(17,614)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,000,119	(119,199)	(10,719)	(134,422)	84,136	308,939	(219,281)	(350,684)	(81,750)
Cash and investments - ending	\$ 6,123,779	\$ -	\$ 98,005	\$ 1,316,324	\$ 637,693	\$ 108,032	\$ 8,564,259	\$ 30,940	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	2016 Series B Bond	2016 Series C Bond	2016 Series D Bond	2017 Series Bond	2018 Series Bond	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Special Education Cooperative
Cash and investments - beginning	\$ 44,555	\$ 38,709	\$ 48,838	\$ 9,380,531	\$ -	\$ 512,587	\$ 124,201	\$ 32,611	\$ 294,813
Receipts:									
Local sources	51	31	122	33,490	93	530,060	320,803	-	957,369
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	10,583	-	-	46,264
Federal sources	-	-	-	-	-	1,134,699	-	-	-
Other receipts	-	-	-	-	-	1,892	151	-	-
Total receipts	51	31	122	33,490	93	1,677,234	320,954	-	1,003,633
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	573,768
Support services	-	-	-	-	-	11,587	407,197	-	347,532
Noninstructional services	-	-	-	-	-	1,642,311	-	-	-
Facilities acquisition and construction	44,606	38,740	48,960	8,526,243	638,703	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	44,606	38,740	48,960	8,526,243	638,703	1,653,898	407,197	-	921,300
Excess (deficiency) of receipts over disbursements	(44,555)	(38,709)	(48,838)	(8,492,753)	(638,610)	23,336	(86,243)	-	82,333
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	9,969,105	-	-	-	-
Transfers in	-	-	-	-	-	-	8,866	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	9,969,105	-	8,866	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(44,555)	(38,709)	(48,838)	(8,492,753)	9,330,495	23,336	(77,377)	-	82,333
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 887,778	\$ 9,330,495	\$ 535,923	\$ 46,824	\$ 32,611	\$ 377,146

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Alternative Education	Early Intervention Grant	Lilly Grant	Project Lead the Way	VEF Donation	Literacy Donation	Secret Alice Fund	Elementary School Drama	Donation Fund
Cash and investments - beginning	\$ -	\$ 3,709	\$ 1,756	\$ -	\$ -	\$ 1,266	\$ 10,530	\$ 6,732	\$ 6
Receipts:									
Local sources	-	-	260,600	30,000	-	-	6,696	4,688	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	9,791	14,927	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	9,791	14,927	260,600	30,000	-	-	6,696	4,688	-
Disbursements:									
Instruction	9,791	18,129	-	-	-	-	4,118	2,544	6
Support services	-	-	20,998	-	-	811	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	9,791	18,129	20,998	-	-	811	4,118	2,544	6
Excess (deficiency) of receipts over disbursements	-	(3,202)	239,602	30,000	-	(811)	2,578	2,144	(6)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,202)	239,602	30,000	-	(811)	2,578	2,144	(6)
Cash and investments - ending	\$ -	\$ 507	\$ 241,358	\$ 30,000	\$ -	\$ 455	\$ 13,108	\$ 8,876	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Wellness Weight Loss	E Wonderland Donation	SPARK Fund	Project Safe Donation	Wonder Project	Duke Energy Bullying	Duke Energy Grant	VU Foundation Art	Ader Memorial
Cash and investments - beginning	\$ -	\$ 1,103	\$ 1,071	\$ 718	\$ -	\$ 5,500	\$ 24,459	\$ 29	\$ 1,380
Receipts:									
Local sources	770	-	2,030	-	7,720	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	770	-	2,030	-	7,720	-	-	-	-
Disbursements:									
Instruction	-	-	2,658	-	7,720	-	-	29	-
Support services	770	-	-	718	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	770	-	2,658	718	7,720	-	-	29	-
Excess (deficiency) of receipts over disbursements	-	-	(628)	(718)	-	-	-	(29)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(628)	(718)	-	-	-	(29)	-
Cash and investments - ending	\$ -	\$ 1,103	\$ 443	\$ -	\$ -	\$ 5,500	\$ 24,459	\$ -	\$ 1,380

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Inman Field	Rotary Library Fund	Jump Start Program	Sodexo Wellness Grant	Lyons Donation	RC/Pepsi Donation	Formative Assessment	Gifted/Talented	IN State Digital Learning
Cash and investments - beginning	\$ 1,000	\$ 12	\$ 6,288	\$ 5,738	\$ 382	\$ 4,086	\$ -	\$ 9,843	\$ -
Receipts:									
Local sources	-	-	13,149	6,000	-	18,440	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	33,362	37,164	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	13,149	6,000	-	18,440	33,362	37,164	-
Disbursements:									
Instruction	-	-	13,825	-	-	476	-	32,224	-
Support services	-	12	-	726	382	22,050	-	8,201	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	12	13,825	726	382	22,526	-	40,425	-
Excess (deficiency) of receipts over disbursements	-	(12)	(676)	5,274	(382)	(4,086)	33,362	(3,261)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12)	(676)	5,274	(382)	(4,086)	33,362	(3,261)	-
Cash and investments - ending	\$ 1,000	\$ -	\$ 5,612	\$ 11,012	\$ -	\$ -	\$ 33,362	\$ 6,582	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Secured Schools Safety Grant	School Technology	Career and Technical Performance Grant	Child Care	Library Endowment	ISTA Settlement	Title I	Title I Delinquent	IDEA
Cash and investments - beginning	\$ -	\$ 134,916	\$ 4,116	\$ 5,096	\$ 332	\$ -	\$ (44,476)	\$ (5,352)	\$ (59,705)
Receipts:									
Local sources	-	-	-	122,246	-	-	-	-	99
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	7,770	1,532	-	-	-	-	-	-
Federal sources	-	57,037	-	-	-	-	880,043	34,764	1,362,116
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	64,807	1,532	122,246	-	-	880,043	34,764	1,362,215
Disbursements:									
Instruction	-	-	-	-	-	-	705,609	29,412	658,548
Support services	-	31,869	-	405	326	-	181,634	-	709,068
Noninstructional services	-	-	-	86,683	-	-	13,052	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	31,869	-	87,088	326	-	900,295	29,412	1,367,616
Excess (deficiency) of receipts over disbursements	-	32,938	1,532	35,158	(326)	-	(20,252)	5,352	(5,401)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	32,938	1,532	35,158	(326)	-	(20,252)	5,352	(5,401)
Cash and investments - ending	\$ -	\$ 167,854	\$ 5,648	\$ 40,254	\$ 6	\$ -	\$ (64,728)	\$ -	\$ (65,106)

VINCENNES COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Preschool	School Wellness Grant	Improving Teacher Quality, No Child Left, Title II, Part A 6840	Elearning Grant	Improving Teacher Quality, No Child Left, Title II, Part A 6850	Rural/Low	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (5,302)	\$ (849)	\$ -	\$ -	\$ (14,097)	\$ (7,571)	\$ 8,579	\$ 53,009	\$ 26,033,042
Receipts:									
Local sources	-	-	12,498	-	-	-	-	-	10,274,134
Intermediate sources	-	-	-	-	-	-	-	-	276
State sources	-	-	98,876	-	57,973	-	-	-	19,274,944
Federal sources	70,043	2,700	-	-	-	62,281	-	-	3,603,683
Other receipts	-	-	-	-	-	-	7,682	4,111,119	4,120,844
Total receipts	70,043	2,700	111,374	-	57,973	62,281	7,682	4,111,119	37,273,881
Disbursements:									
Instruction	68,519	-	95,707	-	28,482	-	-	4,150,642	18,150,325
Support services	6,589	3,351	29,296	-	15,394	59,283	-	-	9,289,010
Noninstructional services	-	-	-	-	-	-	-	-	2,075,622
Facilities acquisition and construction	-	-	-	-	-	-	-	-	10,689,165
Debt service	-	-	-	-	-	-	-	-	4,513,734
Nonprogrammed charges	-	-	-	-	-	-	138	-	138
Total disbursements	75,108	3,351	125,003	-	43,876	59,283	138	4,150,642	44,717,994
Excess (deficiency) of receipts over disbursements	(5,065)	(651)	(13,629)	-	14,097	2,998	7,544	(39,523)	(7,444,113)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	9,969,105
Transfers in	-	-	-	-	-	-	-	-	997,256
Transfers out	-	-	-	-	-	-	-	-	(997,256)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	9,969,105
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,065)	(651)	(13,629)	-	14,097	2,998	7,544	(39,523)	2,524,992
Cash and investments - ending	\$ (10,367)	\$ (1,500)	\$ (13,629)	\$ -	\$ -	\$ (4,573)	\$ 16,123	\$ 13,486	\$ 28,558,034

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 1,357,494</u>	<u>\$ 159,903</u>

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Tecumseh-Harrison Elementary School	\$ 59,000	6/9/2016	12/31/2035
Vincennes Community School Building Corporation	2017 Clark Middle School Refunding	2,063,000	5/17/2017	12/31/2028
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Tecumseh Harrison Elementary	325,000	6/15/2017	12/31/2036
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Vigo Elementary School	59,000	6/9/2016	12/31/2035
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Vigo Elementary	364,500	6/7/2018	1/15/2038
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Riley Elementary School	59,000	6/9/2016	12/31/2035
Vincennes Community School Building Corporation	Renovations, remodel & equipment replacement/upgrade to Franklin Elementary School	59,000	6/9/2016	12/31/2035
Vincennes Community School Building Corporation	Reimburse School Corporation for Improvements to Lincoln High School Extend Building Corporation Ownership and Pay Issuance Cost	931,500	12/30/2013	12/30/2018
US Bancorp Government Leasing and Finance, Inc.	Chrome Book purchase for students	30,766	6/30/2016	6/30/2019
US Bancorp Government Leasing and Finance, Inc.	Chrome Book purchase for Students	47,098	7/25/2015	7/25/2018
KS StateBank	Chrome Book purchase for students	16,385	7/25/2017	7/25/2020
Total governmental activities		<u>4,014,249</u>		
Total of annual lease payments		<u>\$ 4,014,249</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Renovation Improvement of Facilities		\$ 790,000	\$ 155,256
General obligation bonds	To Fund Uncovered Pension Liability		225,000	231,435
Common School Loan	Technology Improvements		<u>152,490</u>	<u>52,217</u>
Total governmental activities			<u>1,167,490</u>	<u>438,908</u>
Totals			<u>\$ 1,167,490</u>	<u>\$ 438,908</u>

VINCENNES COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2018

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 821,565
Buildings	59,439,263
Improvements other than buildings	1,514,782
Machinery, equipment, and vehicles	<u>3,978,509</u>
Total governmental activities	<u>65,754,119</u>
Total capital assets	<u>\$ 65,754,119</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY SCHOOL  
CORPORATION, KNOX COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Vincennes Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-002, and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-002, and 2018-003, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 28, 2019

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

VINCENNES COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<b>DEPARTMENT OF AGRICULTURE</b>							
<b>CHILD NUTRITION CLUSTER</b>							
SCHOOL BREAKFAST PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.553					
FY 16/17			FY 16/17	\$ -	\$ 289,502	\$ -	\$ -
FY 17/18			FY 17/18	-	-	-	269,385
TOTAL - SCHOOL BREAKFAST PROGRAM				-	289,502	-	269,385
NATIONAL SCHOOL LUNCH PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.555					
FY 16/17			FY 16/17	-	915,777	-	-
FY 17/18			FY 17/18	-	-	-	827,612
COMMODITIES FY 16/17			FY 16/17	-	118,542	-	-
COMMODITIES FY 17/18			FY 17/18	-	-	-	114,579
TOTAL - NATIONAL SCHOOL LUNCH PROGRAM				-	1,034,319	-	942,191
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	INDIANA DEPARTMENT OF EDUCATION	10.559					
FY 16/17			FY 16/17	-	13,684	-	-
FY 17/18			FY 17/18	-	-	-	38,354
TOTAL - SUMMER FOOD SERVICE PROGRAM FOR CHILDREN				-	13,684	-	38,354
TOTAL - CHILD NUTRITION CLUSTER				-	1,337,505	-	1,249,930
TOTAL - DEPARTMENT OF AGRICULTURE				-	1,337,505	-	1,249,930
<b>DEPARTMENT OF EDUCATION</b>							
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>							
SPECIAL EDUCATION GRANTS TO STATES	INDIANA DEPARTMENT OF EDUCATION	84.027					
SPECIAL EDUCATION 2014-2016			14215-034-PN01	-	305,009	-	-
SPECIAL EDUCATION 2015-2017			14216-032-PN01	-	471,477	-	324,867
SPECIAL EDUCATION 2016-2018			14217-032-PN01	-	2,144	-	498,881
TOTAL - SPECIAL EDUCATION GRANTS TO STATES				-	778,630	-	823,748
SPECIAL EDUCATION PRESCHOOL GRANTS	INDIANA DEPARTMENT OF EDUCATION	84.173					
PRESCHOOL 15/16			45715-034-PN01	-	13,742	-	-
PRESCHOOL 16/17			45716-032-PN01	-	24,340	-	11,357
PRESCHOOL 17/18			45717-032-PN01	-	-	-	25,665
TOTAL - SPECIAL EDUCATION PRESCHOOL GRANTS				-	38,082	-	37,022
TOTAL - SPECIAL EDUCATION CLUSTER (IDEA)				-	816,712	-	860,770
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	INDIANA DEPARTMENT OF EDUCATION	84.010					
TITLE I 15/16			S010A150014	-	265,240	-	-
TITLE I 16/17			S010A160014	-	377,422	-	369,088
TITLE I 17/18			S010A170014	-	-	-	458,277
TOTAL - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES				-	642,662	-	827,365

VINCENNES COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH	INDIANA DEPARTMENT OF EDUCATION	84.013					
TITLE I 15/16 DELINQUENT			S013A150014	-	50,556	-	-
TITLE I 16/17 DELINQUENT			S013A160014	-	65,081	-	34,764
TITLE I 17/18 DELINQUENT			S013A170014	-	-	-	52,677
TOTAL - TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH				-	115,637	-	87,441
RURAL EDUCATION	INDIANA DEPARTMENT OF EDUCATION	84.358					
FY 15/16			S358B150014	-	10,495	-	-
FY 16/17			S358B160014	-	31,360	-	25,400
FY 17/18			S358B170014	-	-	-	36,881
TOTAL - RURAL EDUCATION				-	41,855	-	62,281
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS	INDIANA DEPARTMENT OF EDUCATION	84.367					
E-LEARNING GRANT 2016			A58-6-16CI-3567	-	13,000	-	-
FY 15/16			S367A150013	-	73,649	-	-
FY 16/17			S367A160013	-	124,742	-	57,973
FY 17/18			S367A170013	-	-	-	111,374
TOTAL - SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS				-	211,391	-	169,347
TOTAL - DEPARTMENT OF EDUCATION				-	1,828,257	-	2,007,204
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	INDIANA DEPARTMENT OF EDUCATION	93.945					
2016			2016	-	1,535	-	-
2017			2017	-	-	-	1,500
2018			2018	-	-	-	1,200
TOTAL - ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL				-	1,535	-	2,700
TOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	1,535	-	2,700
TOTAL FEDERAL AWARDS EXPENDED				\$ -	\$ 3,167,297	\$ -	\$ 3,259,834

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

VINCENNES COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Special Education Cooperative**

The School Corporation is a member of the Knox County Special Education Cooperative (Cooperative) and serves as the fiscal agent for the Cooperative. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the Schedule of Expenditures of Federal Awards.

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2018-001**

Subject: Title I Grants to Local Educational Agencies - Eligibility  
 Federal Agency: Department of Education  
 Federal Program: Title I Grants to Local Educational Agencies  
 CFDA Number: 84.010  
 Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014, S010A160014, S010A170014

Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Eligibility  
 Audit Findings: Material Weakness, Other Matters

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement. There were no controls in place to verify that the real-time socioeconomic status data was reconciled with the data from the NutriKids software program to ensure that poverty figures reported to the Indiana Department of Education were accurate.

The School Corporation could not provide documentation to support the poverty status on the Title I application for 5 of the 53 students tested.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and Eligibility compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Eligibility compliance requirement. Noncompliance with the grant agreement and the Eligibility compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Eligibility compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2018-002**

Subject: Title I Grants to Local Educational Agencies - Procurement

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014, S10A160014,  
S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the procurement requirements.

The School Corporation obtained the required number of quotes for purchases between \$50,000 and \$150,000, which falls under small purchases and the federal guidelines; however, the School Corporation failed to obtain the necessary contracts with the vendors as required by Indiana Code.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Indiana Code 5-22-7-1 states: "A purchasing agent shall follow the procedure described in this chapter in awarding a contract for supplies, unless another purchasing method is required or authorized by this article."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and procurement requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the procurement requirements. Noncompliance with the grant agreement and the procurement requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the procurement requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2018-003**

Subject: Special Education Cluster (IDEA) - Reporting

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Year (or Other Identifying Numbers): 14215-034-PN01, 14216-032-PN01,  
14217-032-PN01, 45715-034-PN01,  
45716-032-PN01, 45717-032-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed or implemented an effective internal control system to ensure compliance with the Reporting requirement. There were no controls in place to verify that the real-time data was reconciled with the Count of Children with Disabilities Receiving Special Education Services report to ensure figures reported to the Indiana Department of Education were accurate. The documentation provided by the School Corporation for the December 2017 Count of Children with Disabilities Receiving Special Education Services did not support the figures reported.

VINCENNES COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. The non-compliance was isolated to fiscal year 2018.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

...

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Reporting compliance requirement. Noncompliance with the grant agreement and the Reporting compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

**BOARD OF EDUCATION**

AARON M. BAUER  
PRESIDENT  
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MARY BETH GAVNEY  
ADMINISTRATIVE ASSISTANT  
TO THE SUPERINTENDENT

**CORRECTIVE ACTION PLAN**

Section III – Federal Award Findings and Questioned Costs

**FINDING 2018-001**

Contact Person Responsible for Corrective Action: David M. Hill

Contact Phone Number: 812-882-2326

Views of Responsible Official: We concur with the finding.

Description of the Corrective Action Plan:

During the final week, of every month, the corporation secretary responsible for monitoring the “NutriKids System” will print a monthly Free and Reduced Eligibility Summary Report. Along with the Title I Directors administrative assistant, the two will complete the check between NutriKids and PowerSchool to ensure that both systems show the correct lunch status. This report will then be presented to the Title I Director who will sign off on the report.

Anticipated Completion Date: 2/28/2019

**FINDING 2018-002**

Contact Person Responsible for Corrective Action: David M. Hill

Contact Phone Number: 812-882-2326

Views of Responsible Official: We concur with the finding.

Description of the Corrective Action Plan:

Administrative Assistant to the Title I Director, with assistance from our building principals, will continue to collect up to three bids for the purchase of supplies, materials, and equipment. The VCSC will enter into a contractual agreement with any company that the VCSC will purchase items in excess of \$150,000.00, to reflect the current state procurement policies.

Anticipated Completion Date: July 2019

**FINDING 2018-003**

Contact Person Responsible for Corrective Action: David M. Hill

Contact Phone Number: 812-882-2326


Views of Responsible Official: We concur with the finding.

Description of the Corrective Action Plan:

When submitting the SE report on the December 1<sup>st</sup> count date the Director for State Reporting will perform the following tasks

1. Confirm the number of students submitted with the building principals.
2. Confirm with the Director of Special Education or her Administrative Assistant the numbers for the corporation.
3. All principals and the Director will sign off in agreement. Hard copies of the summary report, along with signatures collected from the parties involved, will be kept on file.
4. The Director for State Reporting along with the Treasurer will sign off on the SE summary report verifying that the summary report confirms the number of students submitted for the December 1 count day.

Anticipated Completion Date: December 2019



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Debbie Groves

VCSC Treasurer

2/7/19



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David M. Hill

Director of Title I/State Reporting

2/7/19

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.